

STATE OF HAWAII  
NOTICE OF AND REQUEST FOR EXEMPTION  
FROM CHAPTER 103F, HRS

'12 JUL 17 A7:58

To: Chief Procurement Officer

STATE PROCUREMENT OFFICE  
STATE OF HAWAII

From: Department of Health, Family Health Services Division

*Department/Division/Branch or Office*

Pursuant to § 103F-101(a)(4), HRS, and Chapter 3-141, HAR, the Department requests a procurement exemption to purchase the following:

1. Title and description of health and human service(s): The Department of Health ("DOH") contracts with community-based providers to provide medical (perinatal, pediatric, adult primary care) and support services to uninsured and underinsured individuals that are at or below two hundred fifty percent (250%) of the Federal poverty level. Optional services includes behavioral health care, dental treatment, and pharmaceutical services. Access to primary health services reduces morbidity and mortality by providing timely, appropriate, and less expensive care, and thereby prevent the development and exacerbation of serious health conditions.	
2. Provider Name and Address:	Thirteen (13) Federally Qualified Health Centers ("FQHCs"), state-wide, as identified in Item 7 below.
3. Total Contract Funds:	\$58,591,526
Contract Funds per Year (if applicable):	\$8,591,526 (FY 2014) \$10,000,000 (FY 2015 - 2019)
4. Reference number of Previous Request for this Service (if applicable):	
5. Term of Contract:	Start: 7/01/13 End: 6/30/19
6. Describe how procurement by competitive means is either not practicable or not advantageous to the State: Act 316/2006, Hawaii State Legislature, established a community health centers special fund within the state treasury to be administered and expended by the DOH. The legislation stipulates that the moneys (from the cigarette tax) in the special fund shall be used by the DOH for the operations of FQHCs. The core mission of FQHCs is to provide access to primary care services for the most vulnerable populations, regardless of the ability to pay. There are only fourteen (14) FQHCs in the State of Hawaii of which thirteen (13) are contracted by the DOH to provide comprehensive primary care services to uninsured and underinsured individuals. Since Act 316/2006 stipulates that funds shall only be used by the DOH for the operations of FQHCs, procurement by competitive means is not practicable in this situation. The cigarette tax rate for the community health centers special fund will increase from 0.0075 cents per cigarette to 0.0125 cents per cigarette effective July 1, 2013. Accordingly, it may be possible that the contract funds per year may increase from \$8,591,526 per year to \$10,000,000 per year from FY 2015 to FY 2019 as reflected in Item 3 above.	
7. Describe the reason for the selection of the provider including a description of how the procedure ensured the maximum fair and open competition practicable: As mentioned above, Act 316 directs funds specifically for the operations of FQHCs, therefore no other organizations can receive these funds. The thirteen (13) FQHCs are as follows: Bay Clinic, Inc.; Community Clinic of Maui, Inc.; Hamakua Health Center, Inc.; Ho'ola Lahui Hawaii; Kalihi-Palama Health Center; Kokua Kalihi Valley; Ko'olauloa Community Health & Wellness Center, Inc.; Lanai Community Health Center; Molokai Ohana Health Care, Inc.; Waianae District Comprehensive Health & Hospital Board, Inc.; Waikiki Health Center; Waimanalo Health Center; and West Hawaii Community Health Center, Inc.	

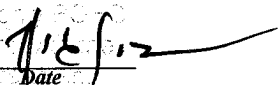
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8. Describe the state agency's internal controls and approval requirements for the exempted procurement: The services that are funded through Act 316/2006 HSL is based on the needs and priorities identified by the FQHCs, The Hawaii Primary Care Association, and the DOH. Hana Health is the only FQHC which is not included in this Request for Exemption. Hana Health has an exempt contract with the DOH to provide both urgent care and primary care services and is paid on a cost reimbursement basis. (Reference: PEH No. 12-02)	
9. List the state agency personnel, by position title, who will be involved in the approval process and administration of the contract: Gordon Takaki, Public Health Administrative Officer V	
10. Direct questions to (name & position):	Gordon Takaki, Public Health Admin. Officer V
Phone number:	733-8365
e-mail address:	gordon.takaki@doh.hawaii.gov

I certify that the information provided above is to the best of my knowledge true and correct.

  
Department Head Signature

Loretta J. Fuddy, A.C.S.W., M.P.H.  
Typed Name

  
Date

**NOTICE**

The chief procurement officer is considering this request for exemption and, if there is good cause, the state intends to exempt the purchase as described in the request. Any inquiries regarding the purchase shall be directed to the contact person noted in item 10 of the request. Any concerns regarding the exemption shall be in writing and received by the chief procurement officer within seven days of the date the notice was first posted. Concerns shall be mailed to: Aaron Fujioka, Chief Procurement Officer, State Procurement Office, 1151 Punchbowl St., #230A, Honolulu, HI 96813.

**Chief Procurement Officer's Comments:**

This approval is for the procurement process only. Service provider(s) are required to be compliant with applicable laws, and verified on the Hawaii Compliance Express. This award is required to be posted on the Awards Reporting System. If there are any questions, please contact Corinne Higa at 587-4706, or corinne.y.higa@hawaii.gov.

☒ **APPROVED**    ☐ **DISAPPROVED**    ☐ **NO ACTION**

  
Chief Procurement Officer Signature

11/29/2012  
Date

Please ensure adherence to applicable administrative requirements.

**[\$321-1.65] Community health centers special fund.** (a) There is established within the state treasury a special fund to be known as the community health centers special fund to be administered and expended by the department of health.

(b) The moneys in the special fund shall be used by the department of health for the operations of federally qualified health centers.

(c) Moneys collected pursuant to section 245-15 shall be deposited into the special fund. [L 2006, c 316, §3]

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